

A man and a woman are in a workshop or factory setting. The man, on the left, is pointing at a large screen or display. The woman, on the right, is looking at the screen with a focused expression. They are both wearing blue polo shirts. The background shows industrial equipment and a bright, well-lit environment.

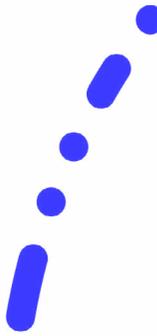
Enginuity[®]

In partnership with

THE ENGINEER

**Unlocking the value
of apprenticeships
for engineering and
manufacturing SMEs**

Contents



03_ Executive Summary

06_ Introduction

08_ 1 - Barriers faced by engineering and manufacturing SMEs

11_ 2 - Employers unlocking the value of apprenticeships

12_ Case study 1 – Power of mentoring

13_ Case study 2 – Improving apprenticeship schemes

14_ Case study 3 – Developing strong partnerships with training providers

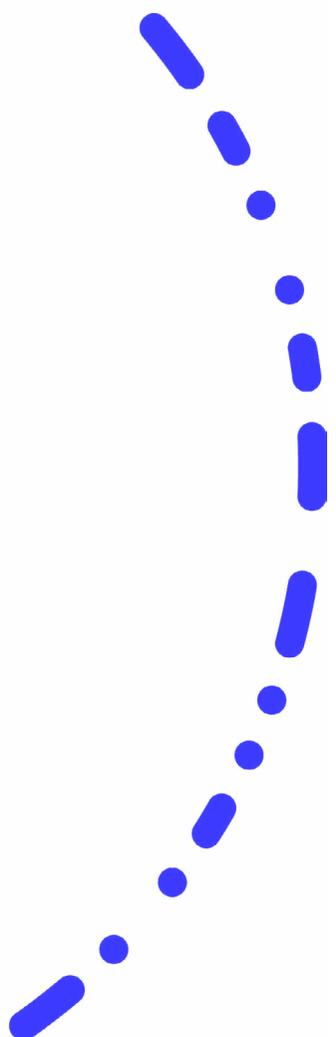
16_ 3 - SME recommendations for employers, training providers, policymakers and intermediaries

19_ 4 – Conclusion

20_ Appendix 1 – Interview questions

21_ Appendix 2 – Survey questions

23_ Appendix 3 – Location and operating sectors of participating SMEs



Executive Summary

Enginuity is a charity dedicated to helping employers find new ways to close the skills gap. The charity combines a unique approach to sector data with a deep understanding of the skills challenges, to help employers ensure the sector has a highly skilled, globally competitive workforce now and in the future.

A successful apprenticeship system is fundamental to closing the skills gap and financially benefits employers. On average in the UK, the estimated yearly gain for employers is between £2,500 and £18,000 per apprentice during their training period¹. Apprentice outputs are estimated to increase further once an apprentice completes their training. However, engineering and manufacturing apprenticeship achievement rates are low and increased by only 2% from 58% to 60% in 2022/23² in England. At this rate, the English Government's target of 67% for apprenticeship achievement rates by 2024/25³ will not be reached until 2027. Also apprenticeship numbers in English engineering and manufacturing industries have fallen since the introduction of the Apprenticeship Levy, particularly among SMEs, and while the levy is sound in principle, there have been challenges since its implementation. In December 2023, FE Week estimated that £2.178bn of apprenticeship funding had been handed back to the Treasury in the six years since the Apprenticeship Levy was introduced in 2017.

It is for these reasons that Enginuity, in partnership with The Engineer, conducted research to investigate the issues engineering and manufacturing SMEs face with apprentices completing apprenticeships and to explore why some engineering and manufacturing SMEs maintain achievement rates in England that are consistently higher than average. As well as discussing the issues faced by employers, the report attempts to shine a light on how some SMEs have overcome the barriers within the apprenticeship system and provides 10 recommendations for the sector and others.

Senior leaders from 10 SMEs participated in research interviews and 59 eligible SME employers, from across different sectors and regions, responded to the survey. Although all the SMEs reported some issues with the apprenticeship system, clear trends emerged by comparing survey responses from SMEs which have achieved excellent achievement rates with those that have achieved lower achievement rates. Emerging themes include the importance of mentoring, benchmarking apprenticeship schemes and working closely in partnership with training providers and colleges. These are discussed briefly below and in more detail in the report:

- 61% of SMEs that responded to the survey achieved above average completion rates of greater than 65%.
- All of the SMEs who responded are facing a number of similar issues to a greater or lesser extent. These include apprentices leaving apprenticeship schemes due to a job change or a better job offer (41%), training not being as good as hoped (27%), and a perception that apprenticeship schemes are being badly run (22%). Maths and english requirements and the end-point assessment process are also causing issues for some SMEs.
- SMEs who responded to the survey would like more information about the funding that is available to them and how to get it (57%). They also want better access to clear and concise information on apprenticeships (34%), more support from their associated college or training provider (32%) and more help finding training providers (27%).
- Many of the SMEs that achieve above average completion rates have mentoring in place (42%), have reviewed and updated their apprenticeship processes (39%), work in collaboration with their training providers or colleges (36%), actively recruit older apprentices (31%) and run their own assessment days (22%).

¹ The St Martins Group (2021) The Real Costs and Benefits of Apprenticeships

² DfE (2024) Apprenticeships, Academic year 2023/24 – Explore education statistics – GOV.UK (explore-education-statistics.service.gov.uk)

³ DfE (2024) Apprenticeships achievements letter 2024 (publishing.service.gov.uk)

Despite the issues reported by those that responded to the survey, the results from the survey show that SMEs can achieve excellent apprenticeship achievement rates. A very high percentage of SMEs involved in the research have lost apprentices to different organisations. However, those who viewed themselves as part of a wider skills ecosystem, contributing to as well as benefitting from it, have not let this deter them from training many new waves of apprentices.

As touched on above, engineering and manufacturing SMEs require the support of training providers to ensure their apprentices succeed, but intermediaries and government must also play their part in improving the apprenticeship system in England.

Recommendations for employers

- 1. BENCHMARK SME APPRENTICESHIP SCHEMES** – A high percentage of SMEs with the highest apprenticeship achievement rates externally benchmark their apprenticeship scheme and associated processes.
- 2. ATTRACT THE RIGHT PEOPLE TO YOUR ORGANISATION** – SMEs with the highest apprentice achievement rates prioritise the selection of candidates based on them demonstrating values aligned to that of their organization. They also run their own assessment days and develop strong partnerships with local schools and colleges.

3. BUILD AND MAINTAIN EXCELLENT PARTNERSHIPS WITH TRAINING PROVIDERS

– Select training providers that have the right resources and infrastructure in place to deliver excellent provision. When working in collaboration with training providers or colleges, incorporate IfATEs 10 proven approaches⁴ to developing excellent partnerships.

4. PREPARE EARLY FOR THE END-POINT ASSESSMENT

– Ensure that you, your apprentice and the training provider is fully aware of the expectations of the end-point assessment within the first month of the apprenticeship starting.

5. INVEST IN YOUR APPRENTICES

– Provide a joined up approach to supporting your apprentices across all functions and management levels. Help apprentices to measure, monitor and manage their workloads and signpost with regularity and granularity what the future pathway looks like. Pay them above the minimum wage and treat them as an employee from the outset.

⁴ IfATE (2021) FE News | The three-way partnership between employer, provider and apprentice

Recommendations for training providers and schools

- 6. TRAINING PROVIDERS TO BE RESPONSIVE TO THE NEEDS OF LOCAL EMPLOYERS** – Training provision needs to be responsive to the changing needs of employers and delivered to a consistent quality.
- 7. BETTER PREPARE YOUNG PEOPLE FOR THE WORLD OF WORK** – Schools and colleges need to better educate young people about the world of work and develop stronger partnerships with local employers.

Recommendations for policymakers and intermediaries

- 8. ENSURE AN OPTIMUM AND TRANSPARENT FUNDING SYSTEM** – The government needs to ensure that the Apprenticeship Levy and post-16 funding are optimally used while improving accessibility for employers and training providers. They need to work collectively, especially with SMEs, to ensure the Apprenticeship Levy in England is well used and any underspend put towards fuelling innovation (Enginuity, 2023)⁵.
- 9. HELP SMEs WITH APPRENTICES ON SIMILAR CAREER PATHS TO NETWORK** – Government and intermediaries should support SMEs to develop their apprenticeship schemes and buddy up their apprentices. The government could support the funding of a cross-sector mentoring programme through England's Lifelong Learning Entitlement and other post-16 skills funds across the UK.

10. BUILD A ROBUST AND COHESIVE EVIDENCE BASE –

Governments need to provide destination data and regular achievement rates for apprenticeships and other forms of training. Enginuity recognises the importance of upskilling the existing workforce and attracting new talent in order to meet the sector's changing needs, but we also know that meaningful change isn't going to come without focused, collective effort on the part of engineering and manufacturing stakeholders.

Enginuity will champion these asks through conversations with Government and via influencing stakeholders to pledge support for Enginuity's Manifesto⁶.

How you can help:

We encourage you to act on the recommendations in this report and provide us with your feedback. No matter how big or small your influence is, the apprenticeship system will only work via collective action and we invite you to share with us your success stories, insights and suggestions via **getting in touch**.

⁵ Enginuity (2023) The Enginuity Skills Action Plan – A Manifesto for Change

⁶ Enginuity (2023) The Enginuity Skills Action Plan – A Manifesto for Change

Introduction

This report explores the issues engineering and manufacturing SMEs face in apprentices achieving their apprenticeship certificates in England. It also explains how some manage to achieve above-average apprenticeship completion rates, where they go for support, and their recommendations for fellow employers, policymakers, training providers and intermediaries.

The decision was taken to focus on engineering and manufacturing SMEs in England as the English apprenticeship achievement rates for engineering and manufacturing apprenticeships dropped significantly from 2018/19 to 2020/21. This was in contrast to significantly higher achievement rates for modern apprenticeships in Scotland and success rates for apprenticeships in Wales during this two year period. Even though there are considerable differences in data collection and reporting of apprenticeship completions in the devolved nations, making it hard to compare them, most of the fall in achievement rates in England is due to significantly lower achievement rates for standards, which were being phased in over the period.

Research aims

This research focuses on SME apprenticeship achievement rates in England as most studies on apprenticeships has focused on starts rather than achievements. Also, it has not specifically focused on engineering and manufacturing standards and the literature suggests (Department for Education, 2022⁷) that SMEs are struggling more than larger employers to get good apprenticeship achievement rates.

With consideration of the trends in achievement rates and the reasons outlined above, this research project aimed to address the following questions:

1. What are the issues engineering and manufacturing SMEs face with apprentices completing apprenticeships?
2. Why do some engineering and manufacturing SMEs who employ apprentices maintain achievement rates in England that are consistently higher than average?
3. What recommendations do SMEs have for fellow employers, policymakers, training providers and intermediaries?

⁷ Department for Education, (2022) Apprenticeships Evaluation 2021 - Employers

Methodology

Enginuity partnered with The Engineer to conduct the project. The Engineer is part of the Mark Allen Group, which is the largest portfolio of engineering and manufacturing titles, websites and live events in the UK. They were selected as they are an independent partner, who have extensive reach, enabling them to engage SMEs to participate in the research and helping Enginuity to showcase the research findings and recommendations.

There were three phases to this research; a literature review, research interviews and a survey. The first phase, which involved secondary research in the form of a literature review, was conducted during November 2023 and identified a number of themes to structure the primary research around. The second phase was conducted in February 2024 and involved primary research in the form of 10 exploratory interviews with senior leaders from engineering and manufacturing SMEs. The Engineer engaged the senior leaders to participate in the project, ensuring that they were from a range of engineering and manufacturing sectors and regions in England. Enginuity designed the interview questions (refer to Appendix 1 for interview questions), conducted the interviews online and analysed the qualitative data that was generated during the online video calls.

During the third phase, insights from the first and second phases were used to design a survey (refer to Appendix 2 for survey questions) that could be used to quantify and explore the themes from the literature review and interviews in greater depth. It was agreed that The Engineer would use its expansive reach to engage SMEs to complete the survey and only SMEs with less than 250 employees and who had recruited apprentices in the last 5 years would be eligible to respond.



SECTION 1 - Barriers faced by engineering and manufacturing SMEs

This section reports on the findings of the first research question which was to investigate the barriers engineering and manufacturing SME face with apprentices completing apprenticeships. The section provides an overview of the results of the survey and discusses the top reported issues. It then goes on to discuss the support SMEs want to help improve their apprenticeship achievement rates.

59 eligible SME employers, from across different sectors and regions, responded to the survey (refer to Appendix 3 for sectors and regions of participating SMEs). In the survey, the top reported issues SMEs faced with apprentices completing their apprenticeships were apprentices leaving due to a job or career change, training not being as good as hoped or being badly run and apprentices having difficulty achieving the maths or English requirements.

10 Top Issues Raised by SMEs



41% of SMEs who responded to the survey reported that apprentices were leaving apprenticeship schemes due to a job or career change or a better job offer and 20% reported apprentices no longer wanted to work in the job role of the apprenticeship. This result was consistent across the group of SMEs who responded as over 34% of those who achieved above 50% apprenticeship achievement rates indicated that this was a major issue for them.

27% implied that the training had not been as good as hoped and 22% indicated that they felt the apprenticeship scheme had been badly run. This result was consistent across the group of SMEs who responded. This was also reflected during the 10 research interviews, where nearly all the SMEs mentioned inconsistencies in training provision as a major issue for them. During the research interviews specific comments were given in relation to the quality of teaching, the mentoring approach, assessments, reviews and the frequency at which they were completed.

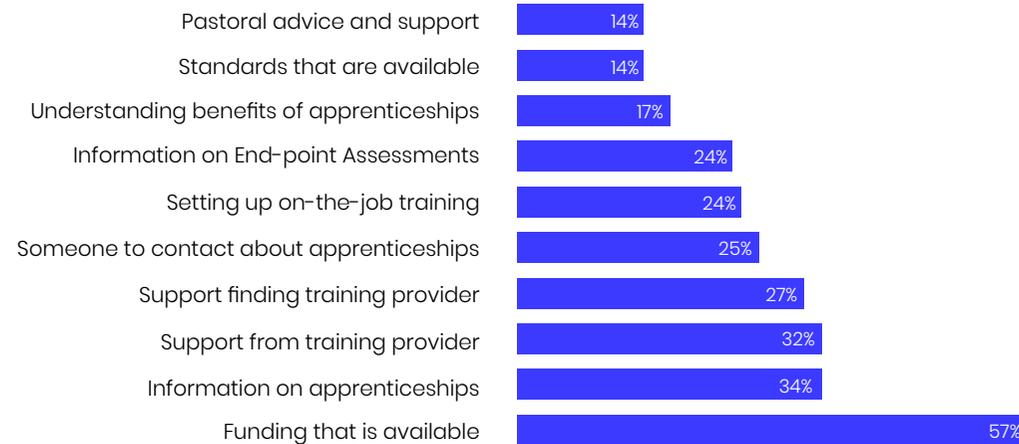
20% reported that the maths and english requirements were one of the biggest issues for apprentices completing their apprenticeship. This issue was discussed in more detail during the research interviews with two SMEs saying that they did not feel that the Functional Skills qualifications were fit for purpose. This reflects the findings of the recently published Spelling It Out, Making It Count Report (Gatsby, 2024)⁸ which found that ‘a failure to pass FSQs is one of the key reasons for apprenticeship achievement rates remaining lower than anyone would like.’

22% of SMEs achieving completion rates above 66% reported that end-point assessment was causing issues for them. The same percentage requested more information on the process in response to question 11

(see Appendix 2 for the survey questions). End-point assessment was the third biggest issue reported by this group and one that requires further research. As stated in Field’s (2021) report⁹, not only is the evidence base weak for technical assessment, constructive development of that evidence base is also challenging.

In terms of support to help SMEs improve their apprenticeship achievement rates, the majority of respondents expressed a desire to know more about the funding that is available to them and how to get it. They also want better access to clear and concise information on apprenticeships, more support from their associated college or training provider and more help finding training providers.

10 Top Requests for Support by SMEs



57% of SMEs want to know more about the funding available to them and how to access it. More information on apprenticeship funding rules can be found on the UK Government website¹⁰ or via contacting the National Apprenticeship Service¹¹. Some positive changes have

been made recently to support SMEs to employ more apprentices. From the 1st April 2024¹² the UK government has committed to pay 100%, rather than 95%, of the cost of apprenticeships for people aged 21 or under at small firms.

⁸ Gatsby (2024) Spelling It Out, Making It Count Report

⁹ Field, S. (2021) A World Without Maps – Assessment in Technical Education

¹⁰ UK Government (2024) Apprenticeship funding rules 2023 to 2024 (publishing.service.gov.uk)

¹¹ UK Government (2024) Apprenticeship Service Support (education.gov.uk)

¹² The Apprentice Guide (2024) Sunak unveils major reforms for apprenticeships with SMEs - The Apprenticeship Guide

34% of SMEs want better access to clear, concise information on apprenticeships and progression pathways. This is a concern that has been raised by numerous SMEs operating in other sectors¹³. In response, the Institute for Apprenticeships and Technical Education (IfATE) worked with a panel of apprentices across various industries, to develop and publish a Raising the Standards Guide (IfATE, 2021)¹⁴. The purpose of the guide was to help apprentices, employers and training providers understand more about what good apprenticeships look like and to help them improve the quality of their apprenticeship schemes.

32% of SMEs want more involvement, support and communication from their college or training provider. This was reflected in the interviews, with three out of ten senior leaders from SMEs stating that colleges or training providers need to focus on their customer interface, as they do not always respond to enquiries in a timely manner and do not always listen to the wishes of them as local employers.

27% requested more support finding suitable training providers. This issue has been reported previously and in response the National Apprenticeship Service¹⁵ is providing support to SMEs to help them find a training provider¹⁶. As well as the training provider service, the National Apprenticeship Service provides a helpline number, an email address and easy access to numerous resources.

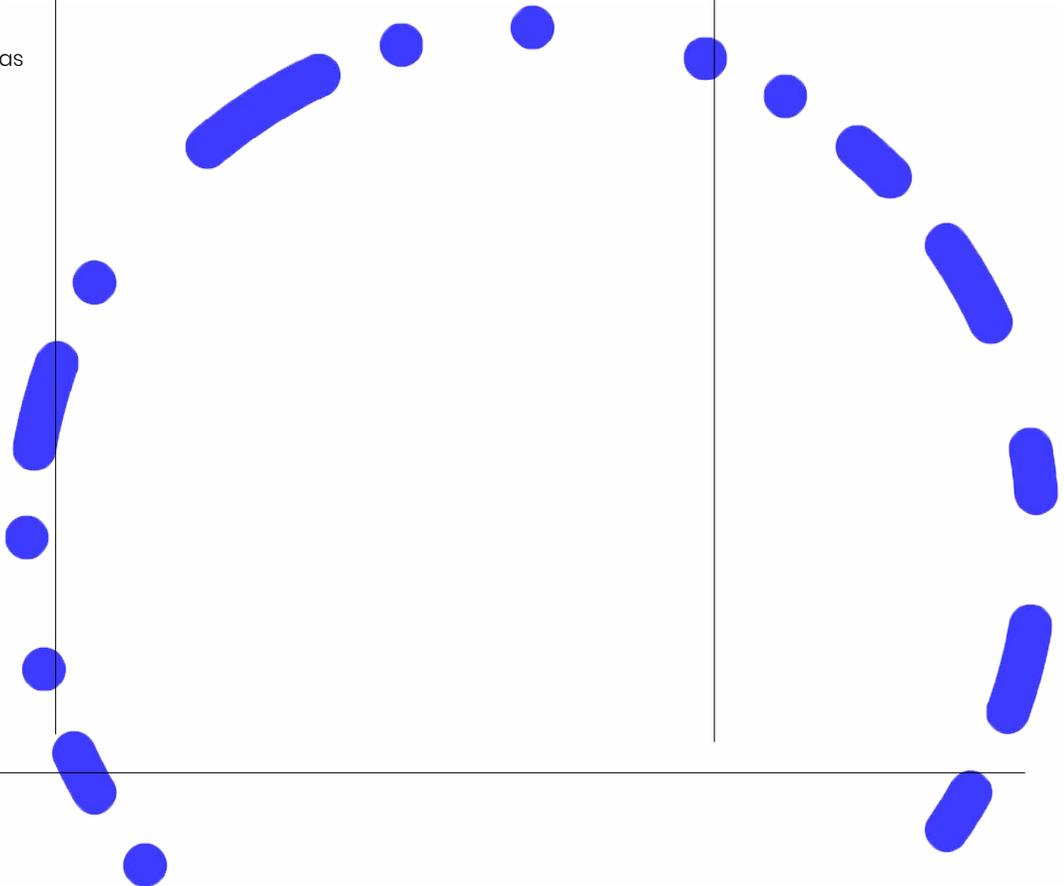
In summary, engineering and manufacturing SMEs are facing a number of similar issues to a greater or lesser extent. Many SMEs face issues with losing apprentices, either during their apprenticeship, or after they have completed their apprenticeship. The majority of those that responded to the survey would appreciate more support understanding the complexities of the apprenticeship funding system.

¹³ Department for Education (2022) Apprenticeships Evaluation 2021 – Employers

¹⁴ IfATE (2021) Raising the standards / Institute for Apprenticeships and Technical Education

¹⁵ National Apprenticeship Service (2024) How to choose the right apprenticeship training (apprenticeships.gov.uk)

¹⁶ UK Government (2024) Find apprenticeship training if you're an employer - GOV.UK (www.gov.uk)



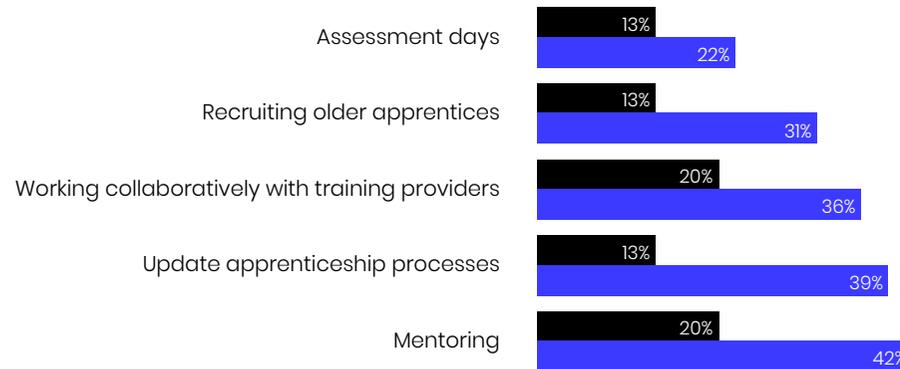
SECTION 2 – Employers unlocking the value of apprenticeships

This section addresses the second research question by exploring why some engineering and manufacturing SMEs who employ apprentices maintain achievement rates in England that are consistently higher than average (60% in 2023¹⁷). It discusses the themes that arose in the survey and provides deeper insights via a series of case studies.

61% of the engineering and manufacturing SMEs that responded to the survey achieved completion rates greater than 65%. This is a positive picture, and demonstrates that many of the SME employers who responded to the survey, had managed to achieve good

apprenticeship completion rates which were near to or better than the Government apprenticeship achievement rate target of 67%¹⁸. This is despite the numerous barriers engineering and manufacturing SMEs report that they face with apprentices completing apprenticeships. A high percentage of SMEs achieving above average completion rates had incorporated mentoring, updated their apprenticeship processes and were actively collaborating with their colleges or training providers. Many also chose to recruit slightly older apprentices who had demonstrated that they were work ready and ran their own assessment days to ensure that they selected candidates that would be a good fit for their organisation.

Top SME Apprenticeship Scheme Features



42% of the respondents who achieved completion rates above 65% provided their apprentices with a mentor. As shown in the Top SME Apprenticeship Scheme Features bar-chart, this is in contrast to only 20% of respondents who achieved completion rates below 50%. Numerous studies (Corney and Du Plessis, 2010¹⁹) have shown that support networks for young people, and particularly young

working men, is likely to have a positive effect on their rates of help-seeking, as well as improve rates of apprentice retention. The power of mentoring is discussed in the case study below which came to light during a research interview with Jane Gregory, HR Manager from Exyte Hargreaves.



¹⁷ DfE (2024) Apprenticeships, Academic year 2023/24 – Explore education statistics – GOV.UK (explore-education-statistics.service.gov.uk)

¹⁸ DfE (2024) Apprenticeships achievements letter 2024 (publishing.service.gov.uk)

¹⁹ Corney, T. and du Plessis, K. (2010). Apprentices' mentoring relationships. Youth Studies Australia. VOLUME 29 NUMBER 3 2010

Case study 1 – Power of mentoring



Exyte Hargreaves²⁰ is a construction engineering business – designing, manufacturing and installing specialist heating, ventilation and air conditioning (HVAC) systems for construction projects. The SME has run apprenticeship schemes for young people in the north west since the 1870's. They have an excellent apprenticeship achievement rate, with over 77% of apprentices completing their apprenticeship scheme within the last 5 years. The organisation strongly believes in the power of mentoring with all their apprentices being given access to a mentor who is a few years older than them, has participated in a similar apprenticeship scheme and who is trained and supported in their mentoring role.

39% of the respondents who achieved completion rates above 66% had reviewed and updated their apprenticeship processes. This is in contrast to only 13% of respondents who achieved completion rates below 50%. As in any engineering and manufacturing process, investments in process improvements, can lead to increased benefits realisation and that is no different for apprenticeship recruitment and retention processes. On average in the UK, the estimated yearly gain for employers is between £2,500 and £18,000 per apprentice during their training period²¹. Apprentice outputs are estimated to increase further once the apprentice completes their training and remains with the employer.

²⁰ Exyte Hargreaves (2024) Training & Development | Exyte Hargreaves (exyte-hargreaves.net)

²¹ The St Martins Group (2021) The Real Costs and Benefits of Apprenticeships

Case study 2 – Improving apprenticeship schemes

An engineering firm which builds products and systems for safety critical environments reintroduced their apprenticeship scheme around 8 to 9 years ago. They have had a 100% apprenticeship achievement rate since doing so. Some features of their apprenticeship scheme include recruiting apprentices based on their ability to demonstrate values aligned to that of the organization, rather than their proven technical ability. To retain apprentices, they ensure that they all have a comprehensive training plan in place, which covers all the skills, knowledge and behaviours required by their organisation. They also moved to having an HR, rather than operational line manager and focused on developing good relationships with the training provider and college; holding them to account when necessary. They still lose some of their apprentices to other organisations but feel that it is well worth investing in the wider apprenticeship system.

'The very first apprentice that we trained under the new system won apprentice of the year. We then lost him to a bigger organisation, and though frustrating for the organisation at the time, we've shifted our thinking to remember that we started this to get good people in the market and to some extent we will get somebody else's apprentice in the future.'

CEO of an engineering firm who participated in a research interview

36% of the respondents who achieved completion rates above 65% specifically mentioned working in collaboration with training providers as an approach that they had adopted. This is in contrast to only 20% of respondents who achieved completion rates below 50%. The majority achieving completion rates above 65%, also stated that working in collaboration with their training provider or college, had a significant positive impact on their apprenticeship achievement rate.

Case study 3 – Developing strong partnerships with training providers

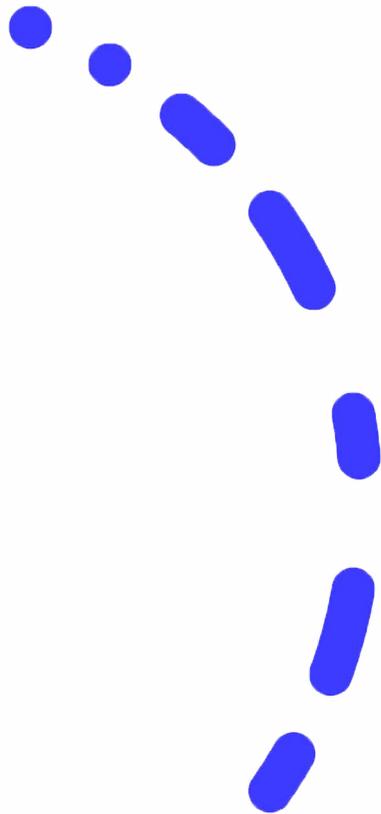


Brandauer is a precision engineering firm in Birmingham. It's apprenticeship programme is a vital part of the business culture at Brandauer and is recognised nationally through various awards, as well as accolades received by individuals partaking in the programme. Brandauer prides itself on having strong and well-established partnerships with respected training providers, who all help to source potential candidates and provide first year 'off the job' training, as well as academic and vocational training for the duration of the apprenticeship.



'We have developed an excellent working relationship with our training provider and that is because the relationship is fundamental to our company performance. We're doing more than just taking an apprentice from them; they're essentially filling my factory with future talent and that's key to our strategy.'

Rowen Crozier, CEO at Brandauer



Working in collaboration is fundamental to the success of apprenticeships. After some apprentices in the apprentice panel survey 2020²² raised concerns that they were the only link between their employer and their training provider, the Institute for Apprenticeships and Technical Education published an article in FE News on 10 ways to improve the partnership²³.

The 10 ways to improve the partnership are summarised below:

1. Employer to meet with the training provider's representative before the apprentice starts.
2. A commitment statement personalised to the employer and the apprentice.
3. Monthly catch-up meetings between the apprentices, employer and training provider.
4. A clear log of the apprentice's progress related to the development of new knowledge, skills and behaviours and their off-the-job training.
5. Training provider and employer should be proactive in scheduling regular meetings.
6. Training provider or employer should arrange talks or mentoring with former apprentices.
7. Apprentices must be empowered to speak up if their commitments are not being met.
8. Training provider and employer should offer experience, talks or tours with other organisations to show possible career paths.
9. Apprentices should be encouraged to read both the occupational standard and end-point assessment plan on IfATE's webpage in detail.
10. Opportunities, communities and support available from the training provider or the employer should be communicated clearly to the apprentice.

31% of respondents with above 65% completion rates indicated that they actively recruited older apprentices who could demonstrate that they were work ready. Young and older apprentices both have merit and ultimately an employer must assess every potential candidate as an individual, or be at risk of age discrimination. However, when it comes to employers selecting apprentices, they must do this in light of the support that they can provide the candidate. Some organisations chose to employ apprentices in later life as a recent article by TalentView Construction²⁴ discusses. There are numerous benefits to this approach as older apprentices can act as mentors to younger apprentices and are also likely to have many transferable skills.

22% of respondents with above 65% completion rates implied that they ran some form of in-house assessment day for potential apprentices. Assessment days enable employers to observe how candidates attempt a series of tasks in a relaxed environment prior to a formal interview.

²² IfATE (2020) <https://www.instituteforapprenticeships.org/reviews-and-consultations/reports/apprentice-panel-survey-report/>

²³ IfATE (2021) FE News | The three-way partnership between employer, provider and apprentice

²⁴ TalentView Construction (2024) National Apprenticeship Week: why employers should never discount older candidates – CIOB People

SECTION 3 – SME recommendations for employers, policy makers, training providers and intermediaries

This section reports on the findings of the third research question which focuses on recommendations SMEs have for fellow employers, education or training providers, Government and intermediaries. The recommendations result from discussions with SMEs during the research interviews, the survey responses and the literature review.

Although the recommendations will not address all the issues in the apprenticeship system, the evidence implies that they should certainly help engineering and manufacturing SMEs to improve their apprenticeship achievement rates.

Recommendations for employers: Proven approaches to running apprenticeships offer value to E&M SME employers

1. **Benchmark your apprenticeship scheme** – One of the most effective and efficient ways to review your apprenticeship processes is to benchmark your apprenticeship scheme. Next Gen Makers²⁵ offers an apprenticeship benchmarking service where you can benchmark your approach against industry best practice to identify where and how to improve. Your organisation can also get recognised as an exemplar employer by pursuing Accreditation for the Make UK Engineering Apprenticeships: Employer Kitemark Accreditation.
2. **Attract the right people to your organisation** – Prioritise the selection of candidates based on them demonstrating values aligned to that of your organization. Run your own assessment days and develop strong partnerships with local schools and colleges. SMEs can also offer T-level placements and project opportunities as these can help to grow apprenticeship pipelines.

3. **Build and maintain excellent relationships with training providers** – Select training providers / colleges that have the right resources and infrastructure in place to deliver excellent provision. Training providers performance is measured against the apprenticeship accountability framework²⁶ of which employer feedback is an important factor. When working in collaboration with training providers or colleges, incorporate IfATEs 10 proven approaches²⁷ to develop an excellent partnership with them and hold them to account on behalf of your apprentices.
4. **Prepare early for the end-point assessment (EPA)** – Ensure that you, your apprentice and the training provider is fully aware of the expectations of the end-point assessment within the first month of an apprentice starting their apprenticeship.
5. **Invest in your apprentices** – Provide a joined up approach to supporting your apprentices across all functions and management levels. Help apprentices to measure, monitor and manage their workloads and signpost with regularity and granularity what the future pathway looks like. Also celebrate the successes of those who have taken the same pathway before. Pay them above the minimum wage and treat them as an employee from the outset. Your organisation could implement the Investing in Apprentices – Commitment, Development and Communication Framework (Investors in People, 2021)²⁸.

²⁵ Next Gen Makers (2024) Helping Manufacturers Run Winning Apprenticeship Schemes

²⁶ UK Government (2024) Apprenticeship Training Provider Accountability Framework and Specification

²⁷ fATE (2021) FE News | The three-way partnership between employer, provider and apprentice

²⁸ Investors in People (2021) How to Invest in Your Apprentices

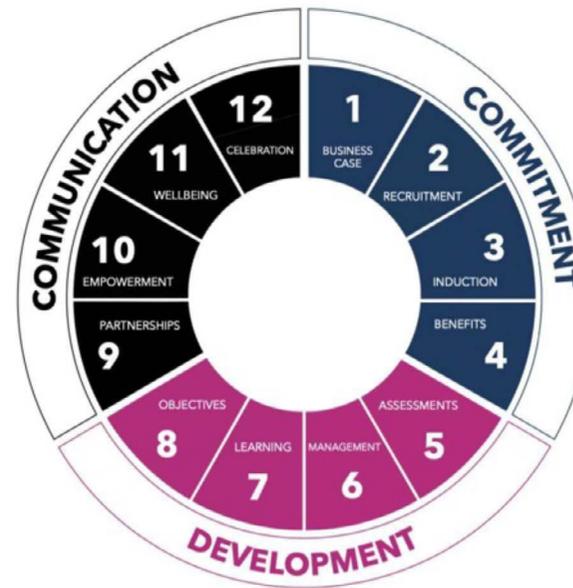
Investing in Apprentices – Commitment, Development and Communication Framework (Investors in People, 2021)²⁹

Commitment

1. **Business case** – Apprentices are hired for a reason, because it makes sense for the company's values, objectives and purpose.
2. **Recruitment** – Recruitment is tailored for apprentices. There's a focus on widening participation and diversity in the apprentice group.
3. **Induction** – There's an induction process that's designed specifically for apprentices.
4. **Benefits** – Apprentices are given a competitive wage, above the minimum apprentice wage. They have a similar benefits package to everyone else in the organisation.

Development

5. **Assessments** – Apprentices are supported and feel prepared for their assessments within the apprenticeship programme.
6. **Management** – Apprentices are supported by a trained, engaged, and willing line-manager. They also have access to a mentor who is supported in their role and can support the apprentice with all aspects of their apprenticeship. This should include support with meeting the maths and English requirements and preparing for their end-point assessment.
7. **Learning** – There's a commitment to the apprentice's education and learning.
8. **Objectives** – Apprentices are given objectives that stretch and develop them both personally and professionally.



Communication

9. **Partnerships** – There's a partnership between the apprentice, the employer and the training providers – everyone knows their part and it's working.
10. **Empowerment** – Apprentices are empowered to give their ideas and feedback. They know their voice matters to the company.
11. **Wellbeing** – There's a real consideration of apprentice wellbeing, including safeguarding.
12. **Celebration** – Apprentice's successes are seen and they're celebrated!

²⁹ Investors in People (2021) How to Invest in Your Apprentices

**Recommendations for schools and training providers:
Be curious about and responsive to the needs of E&M SME
employers**

A large number of employers who responded to the survey felt that schools could do better to prepare young people for technical careers and the world of work. Employers also felt that training providers could better meet the needs of local employers.

6. **Training providers to be responsive to the needs of local employers** – Training providers need to focus on their customer interface, ensuring that they respond to enquiries in a timely manner. Training provision needs to be responsive to the changing needs of employers and delivered to a consistent quality.
7. **Schools and colleges need to better prepare young people for the world of work** – Schools and colleges need to better educate young people about the world of work and develop stronger partnerships with local employers. They are well placed to play a pivotal role in improving the sector’s image among young people and increasing diversity in recruitment, alleviating the estimated 173,000 worker shortfall expected to affect the UK’s STEM sector in the next five years³⁰.

**Recommendations for government and intermediaries:
Give E&M SME employers a louder voice in the
apprenticeship system**

The majority of survey respondents want more information on funding and how to get it and many want the existing information, including that on progression pathways, to be more accessible and better written.

8. **Ensure an optimum and transparent funding system** – Apprenticeship numbers in English engineering and manufacturing industries have fallen since the introduction of the Apprenticeship Levy, particularly among SMEs, and while the levy is sound in principle, there have been challenges since its implementation. The government needs to ensure that the Apprenticeship Levy and post-16 funding are optimally used while improving accessibility for employers and training providers, building a responsive, flexible, and transparent funding system that employers of all sizes are fully aware of. They need to work collectively, especially with SMEs, to ensure the Apprenticeship Levy in England is optimally used and any underspend put towards fuelling innovation (Enginuity, 2023)³¹.
9. **Help SMEs and apprentices on similar career paths to network** – Government, intermediaries, such as employer membership bodies, combined authorities and local authorities, can help make the information on apprenticeships more accessible so that SMEs can develop their apprenticeship schemes and buddy up their apprentices. Government could support the funding of a cross-sector mentoring programme through England’s Lifelong Learning Entitlement and other post-16 skills funds across the UK.
10. **Build a robust and cohesive evidence base** – We need governments to provide destination data and regular achievement rates for apprenticeships and other forms of training. The evidence base for industries within engineering and manufacturing is currently fragmented, and ideally requires a single, funded observatory that will produce regular, up-to-date, and relevant data for our entire engineering and manufacturing sector.



³⁰ Enginuity (2023) The Enginuity Skills Action Plan – A Manifesto for Change

³¹ Enginuity (2023) The Enginuity Skills Action Plan – A Manifesto for Change

SECTION 4 - Conclusion

This research project aimed to conduct research to investigate the issues engineering and manufacturing SMEs face with apprentices completing apprenticeships, explore why some engineering and manufacturing SMEs maintain achievement rates in England that are consistently higher than average and suggest recommendations for fellow employers, policymakers, training providers and intermediaries.

It is clear from the findings of the first research question that most engineering and manufacturing SMEs are facing similar issues with the apprenticeship system. These include apprentices leaving apprenticeship schemes due to a job change or a better job offer (41%), training not being as good as hoped (27%), and a perception that apprenticeship schemes are being badly run (22%). Maths and English requirements and the end-point assessment process are also causing issues for some SMEs.

In response to the second research question, it was discovered that the way in which SMEs address these common issues can be remarkably different. SMEs with above average apprenticeship achievement rates are working in stronger partnerships with their apprentices, training providers and end-point assessment organisations. Many of them have adopted a mentoring scheme and proactively made changes to their apprenticeship processes after having them externally benchmarked. The culture of these organisations has also shifted, with many of them viewing themselves as contributing to and benefiting from a wider skills ecosystem. These employers are not feeling deterred when they lose an apprentice to a competing organisation.

After assimilating the findings of the three phases of the research, and in response to the third research question, the report makes ten recommendations:

Recommendations for employers

1. Benchmark SME apprenticeship schemes
2. Attract the right people to your organisation
3. Build and maintain excellent partnerships with training providers
4. Prepare early for the end-point assessment
5. Invest in your apprentices

Recommendations for schools and training providers

6. Training providers to be responsive to the needs of local employers
7. Better prepare young people for the world of work

Recommendations for government and intermediaries

8. Ensure an optimum and transparent funding system
9. Help SMEs with apprentices on similar career paths to network
10. Build a robust and cohesive evidence base

Enginuity will champion these asks through conversations with Government and via influencing stakeholders to pledge support for Enginuity's Manifesto³².

³² Enginuity (2023) The Enginuity Skills Action Plan – A Manifesto for Change

Appendix 1 – Interview Questions

Questions asked during research interviews with SMEs.

Introductory questions:

- 1) To get started, could you tell me briefly about the following:
 - a) What does your organisation do and what is your job role?
 - b) How many employees does your organisation have?
 - c) Where is your organisation located in England?

Apprenticeship specific questions:

- 2) What apprenticeship standards do you offer to apprentices?
- 3) Roughly how many apprentices have you recruited in the last 5 years?
- 4) Would you say the apprenticeship achievement rate at your organisation is good i.e. greater than 70% of your apprentices gain an apprenticeship certificate?
 - a) If you would not describe the apprenticeship achievement rate as good, what is it roughly?

- 5) How important do you feel it is for a) your organisation and b) an apprentice, to gain their apprenticeship certificate?
- 6) What issues does your organisation or an apprentice face in them gaining their apprenticeship certificate?
 - a) Do you have any thoughts as to how the issues your organisation or an apprentice face in them gaining their apprenticeship certificate could be mitigated?
- 7) Which organisations support you in helping apprentices gain their apprenticeship certificates?
 - a) How effective would you say the support you get from these organisations is in increasing the apprenticeship achievement rate of the apprentices at your organisation?
- 8) What recommendations, if any, do you have for supporting organisations, training providers and / or government to improve the level of support that they give you to help your apprentices gain their apprenticeship certificate?

Appendix 2 – Survey Questions

Questions asked during the survey.

Question No.	Question	Options
1.	What kind of Engineering and Manufacturing business are you?	Automotive, Aerospace, Manufacturing, Transport Operations and Maintenance, Mechanical Engineering, Electrical Engineering, Civil Engineering, Electric Motors, Electronics, Other
2.	Where is your business located?	East Midlands, East of England, London, North East, North West, South East, South West, West Midlands, Yorkshire and The Humber, Outside of England (with disqualification logic for final option in bold)
3.	How many employees does your organisation have?	Less than 25, 25 to 50, 51 to 100, 101 to 250, 250 or more (with disqualification logic for final option in bold) employees
4.	How many apprentices have participated in apprenticeships run by your organisation within the last 5 years?	0 (add disqualification logic for this option in bold), 1 to 10, 11 to 20, Greater than 20
5.	What type and levels of apprenticeship has your organisation offered in the past 5 years?	Engineering and Manufacturing Technologies - Intermediate Level; Engineering and Manufacturing Technologies - Advanced Level; Engineering and Manufacturing Technologies - Higher Level; Business, Administration and Law - Intermediate Level; Business, Administration and Law - Advanced Level; Business, Administration and Law - Higher Level; Information and Communication Technology - Intermediate Level; Information and Communication Technology - Advanced Level; Information and Communication Technology - Higher Level. Multiple apprenticeship type / levels can be ticked in response to this question.
6.	What % of your apprentices fully completed their apprenticeships within the last 5 years?	Less than 25%, 26 to 50%, 51 to 65%, 66 to 80%, Greater than 80%
7.	What issues does your organisation or an apprentice face in them completing their apprenticeship. Please list a maximum of 5 from the list and add any additional factors under 'Other'.	Job or career change / better job offer, Mental health issues, Caring responsibilities, Personal relationship issues, Physical health issues, Wanted/ needed to move area, Decided to pursue other forms of education, Issues with travelling, Financial issues / difficulties, Not having enough time for learning, Training not being as good as hoped, Apprenticeship being badly run or poorly organised, no longer wanting to work in the job role of the apprenticeship, Fired or made redundant, No need to complete the apprenticeship, Apprenticeship being too difficult, End-point assessment, Mathematics or English requirements, Other

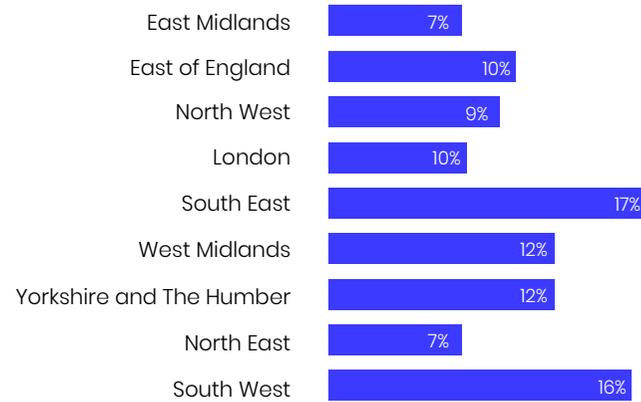
Appendix 2 – Survey Questions

Questions asked during the survey.

Question No.	Question	Options
8.	What actions or processes has your organisation put in place to mitigate the impact of these issues on apprentices	Assessment days, Mentoring, Working more collaboratively with training providers, Changing training provider, HR rather than functional line manager, Reviewing and updating apprenticeship processes, Educating yourselves on the EPA process, Increased pastoral care for apprentices, Recruiting older apprentices, Other, None of the above
9.	Do you get any support from external organisations? Tick any that apply	Employer representative bodies, Other employers, Local colleges or schools, Local Council, Government, Training Centres, Other, None of the above
10.	What impact has this external support had on your apprenticeship completion rate?	No positive impact, some positive impact, significant positive impact
11.	What additional support could help to increase the number of apprentices who complete their apprenticeship at your organisation?	Information on who to approach / how to get information on apprenticeships, Existing information needs to be clearer / better written, Existing information needs to be promoted / provided more pro-actively, What funding is available and how to get it, A specific person they could contact regarding apprenticeships, Information about the level of fees / payments for apprenticeships, How to find suitable training providers, Understanding the requirements and benefits of an apprenticeship, More involvement, support and communication from the colleges / training provider, How to set up on-the-job training for apprentices, Information on the End-point Assessment, What standards are available, Progression Pathway, Personal / pastoral advice and support, Other, None of the above
12.	Any recommendations you have for policy makers, training providers and/or supporting organisations?	Free-text

Appendix 3 – Location and operating sectors of participating SMEs

Location of SMEs



% of SMEs in different E&M Sectors

